



DS&T-583-88

19 JUL 1988

MEMORANDUM FOR: Director of Central Intelligence

VIA: Deputy Director of Central Intelligence
Executive Director

FROM: R. E. Hineman
Deputy Director for Science and Technology

SUBJECT: Pilot Productivity Initiative

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1. This memorandum requests your approval in principle to conduct a pilot program aimed at enhancing employee productivity and morale by provisionally modifying certain Agency requirements and procedures.

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2. The Pilot Productivity Initiative will be modeled after an innovative USDA Forest Service program that has raised productivity and morale by pushing decisionmaking downward, rewarding initiative and removing red tape. A brief outline of this program and its successes is attached. I also view this initiative as an opportunity to test two options developed by the Human Resources Modernization and Compensation Task Force which sparked high employee and management interest: delegating funding control as far downward in the organization as possible, and giving managers the authority to adjust position structure and number of personnel in their components provided they meet predefined budget criteria.

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3. I have identified one group in the DS&T/Foreign Broadcast Information Service as a particularly suitable candidate to carry out a similar experiment in the Agency. FBIS management sees its organization as one which would lend itself to and benefit from this project and would be willing to work the problem vigorously. The person Production Group, responsible for exploiting open-source publications and providing foreign language support to the Intelligence Community, is a homogeneous, stable group whose critical personnel and budget situation make it ideal for this sort of initiative.

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4. As at the Forest Service, in preliminary brainstorming sessions Production Group employees have developed a number of proposals that they believe will improve their productivity, morale, and service overall. Two of these are crucial: 1) considering personal and nonpersonal services funds as a single entity and 2) instituting internal control over the group's personnel structure. Under no circumstance will we violate existing personnel management/compensation guidelines nor will we

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SUBJECT: Pilot Productivity Initiative ☐

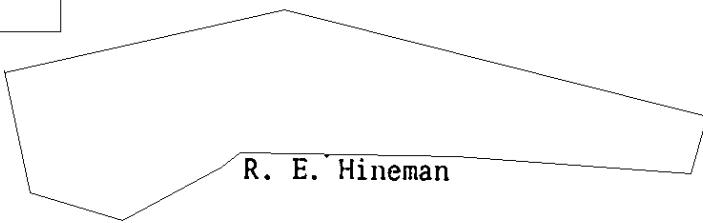
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proceed prior to assuring that appropriate accountability factors have been established. To that end and with your approval in principle to undertake the initiative, we will establish with the Office of General Counsel and Comntroller the necessary procedures and authorities that may be required. ☐

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5. The pilot program will provide useful experience for the directorate and serve my goal of enhancing our foreign language capabilities. It also should be of interest to other directorates thinking of management innovations. It will be conducted by FBIS in consultation with the Office of General Counsel, the Comptroller, and the Human Resources Modernization and Compensation Task Force and the results will be shared with other Agency offices. The pilot program will, of course, be audited at the end of each year to the same level as other Agency components. ☐

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R. E. Hineman

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Attachment:
As stated

FBIS PILOT PRODUCTIVITY INITIATIVE

Proposed Action Item 1

Lump Sum Budgeting

ISSUE

FBIS Production Group's open-source collection process utilizes a unique mixture of staff personnel and independent contractors. Under standard procedures they are paid from separate funds. This division of funding between personal and nonpersonal services frustrates management action to solve resource shortages. Combining the funds into one lump sum allocation would enable management to organize the production effort more effectively by shifting the impact of staffing shortfalls to operational activities and placing resources where they are most needed to meet intelligence requirements.

The key concept in this proposal is flexibility. With the flexibility to place funds where they are most needed, the Group can increase the usefulness of its product and will be in a better position to keep up with consumer demands. At present, the Group faces seriously reduced funding for nongovernment contracts, the linchpin of its operation. At the same time the Group is chronically understaffed. It would like to make the best of this funding shortfall by applying the excess personal services money to the contracts funds, which have been cut by [REDACTED] in the past year. The flexibility of making Group-level decisions as to how to separate personal and nonpersonal services money also would allow it to adjust funds in the other direction--to be able to hire.

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This proposal aims at enhancing the Chief, Production Group's direct control over the Group's work and priorities by giving him greater flexibility in managing available resources to satisfy changing requirements. The key objective is to vest in the Group chief the authority to apportion funds according to Office, CIA, and Intelligence Community priorities. Under no circumstances will the reapportionment exceed the reprogramming authority of the DDS&T.

PROPOSAL

Allocate Production Group's personal and nonpersonal services funding as a single line item and give the Group chief authority to expend or delegate expenditure of funds as necessary to meet office needs.

This would entail providing a single lump sum to pay for the services now separated into personal and nonpersonal service categories, leaving it to the discretion of Chief, Production Group how and where to use the money. The Group chief would have the authority to allocate funds to divisions as required.

AUTHORITY REQUIRED

The Agency Comptroller currently controls the allocation of funds between personal and nonpersonal services. Funds would need to be fenced within Production Group and kept separate from the rest of FBIS FANs.

ADMINISTRATIVE - INTERNAL USE ONLY

FBIS PILOT PRODUCTIVITY INITIATIVE

Proposed Action Item 2

Personnel

ISSUE

FBIS Production Group faces significant problems in recruiting and retaining in its career service individuals with the unique combination of substantive and linguistic skills needed to exploit the world's print media. A loss of expert personnel to higher-graded career fields reflects the absence of a competitive career path in FBIS for its officers. In FY-87, for example, one out of six officers left the Group for what they perceived as a better deal elsewhere. The problem is also manifested in an inability to recruit competitively within the Agency for qualified personnel. The situation becomes even more difficult when the Group tries to hire officers who combine advanced degrees or experience in scientific and technical disciplines with strong skills in such critical languages as Russian, Chinese, and Japanese.

This problem is of long standing and results from use of the Civil Service's Factor Evaluation System (FES) to grade CIA positions. The FES does not include positions comparable to that of Production Group Intelligence Officer/Foreign Documents, and historically the Office of Personnel (OP) has graded the Group's positions in accordance with the standard position description for "translators," a categorization applicable to the Group's contractors but not to its staff personnel.

The journeyman level awarded to FBIS language officers is GS-12. In other agencies jobs involving purely translation or transcription are graded at journeyman level GS-12. The nature of the work and the education and skills required of a Production Group officer--including analytical and writing skills as well as linguistic expertise--clearly are not in concert with this grade structure.

Not only can Production Group not compete in recruiting for personnel within the Agency, but it is constantly threatened with the loss of its GS-12 personnel to other components. While FBIS is a steady supplier of language officers to other components, it rarely is able to attract such officers from other components. It is fairly common, for example, for FBIS language officers to become analysts in the DI, which values their area and language knowledge and offers several additional grades in which to grow. On the other hand, DI analysts seldom have the requisite language skills for service in FBIS and even if they did the lower grades would not attract them. Typically, after reaching GS-12, Production Group linguists begin looking for opportunities elsewhere, since only one-tenth of the Group's language officer positions are GS-13, the top grade. By comparison, about one-third of the linguists in the National Security Agency are GS-13 and above, with a few even in the SIS ranks.

In sum, the present situation in Production Group provides a truncated career track and an inflexible organizational structure designed largely to accommodate OP-imposed requirements.

PROPOSAL

Delegate Chief, Production Group, authority within the limits of budgetary constraints to fashion and maintain an organizational and personnel structure that enhances the retention of uniquely skilled officers and opens the FBIS career service to qualified officers from elsewhere in the Agency. This system will be limited to the current GS pay scale, will be consistent with all current personnel management policy, and will not result in any modification to the compensation system.

This proposal, which is consistent with the long-term Directorate goal of developing a program to assure, on a continuing basis, the foreign language expertise needed throughout the DS&T, gives the Group chief responsibility for managing a personnel structure designed to attract and retain the mix of skilled officers required to carry out the Group's mission. To do this, he needs the flexibility to identify the number, types, and grades of needed positions, within overall budgetary restrictions. Such a personnel structure would incorporate a multitrack career system giving officers with strong substantive and linguistic skills and interests the option of remaining in substantive work rather than being forced into supervisory and management positions in order to advance.

AUTHORITY REQUIRED

The Office of Personnel determines organizational/position/grade structures within the Agency. DCI authority may be required. There are also restrictions, imposed by the Comptroller, regarding the allocation and expenditure of types of funds.

DEPARTMENT OF AGRICULTURE FOREST SERVICE
PILOT PROGRAM AT A GLANCE

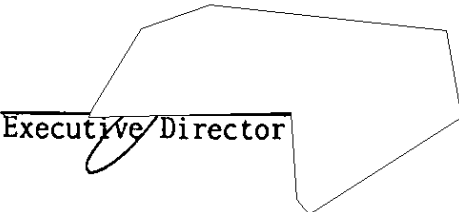
- Program grew out of a 1985 Forest Service study to measure organizational effectiveness, which showed that the Forest Service was not fostering entrepreneurship and creativity.
- Goal of program was to eliminate red tape and improve efficiency, productivity and employee morale.
- Four field units were selected to participate in the pilot program.
- Ground rules were established as follows:
 - a) Proposals for change had to be legal, within the bounds of basic policy, and within constraints of the budget.
 - b) Personnel ceilings and controls over staffing were eliminated within the four units.
 - c) Units were allowed to work with a lump sum rather than numerous line item appropriations.
 - d) Any savings accumulated could be allocated to other projects at the discretion of the unit.
- Authority and responsibility were pushed downward in the organization to the maximum extent practical.
- Employees in units were asked to identify barriers to productivity both within and outside Forest Service authority.
- From 70-80% of items identified as barriers to productivity were found to be within the control of the Forest Service.
- Pilot units increased their productivity an average of 15% in the first year of the study.
- In one pilot unit, 20% of the savings was distributed as a bonus shared equally with all employees.
- Service to customers improved despite reduced operating budgets.
- Employees used time saved through reduced bureaucracy/paperwork to undertake new projects.
- Most importantly, as noted by Forest Service Chief F. Dale Robertson, the "spirit" of the pilot test units is "bubbling over, and people are much more enthusiastic and excited about their jobs."

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CONCUR:


Executive Director

21 July 1988
Date

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Deputy Director of Central Intelligence

Date

APPROVED:

Director of Central Intelligence

Date

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